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C O N F I D E N T I A L SECTION 01 OF 02 LISBON 000052

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TAGS: [PINR](#) [ETRD](#) [EUN](#) [PGOV](#) [PREL](#) [IR](#) [PO](#)  
SUBJECT: PORTUGAL'S POLICY TOWARD IRAN SANCTIONS  
(C-RE9-02696)

REF: A. STATE 8682  
[1](#)B. 09 LISBON 598  
[1](#)C. 09 LISBON 531  
[1](#)D. 09 LISBON 518  
[1](#)E. 09 LISBON 495  
[1](#)F. 09 LISBON 146  
[1](#)G. 08 LISBON 685

Classified By: Poleconoff Mario Fernandez, reasons 1.4(b) and (d)

[1](#)1. (U) This message responds to questions in ref A request.

[1](#)2. (C/REL TO USA, FVEY) Question A: Are decisions on this topic made solely by prime minister Jose Socrates or Foreign Minister Amado, or is there a team of government officials making decisions? If multiple officials are involved in decisionmaking on this topic, which officials and what level of influence does each have? What are the interpersonal dynamics among the decisionmakers?

Answer: Decisions on Iran sanctions are made by the Portuguese Ministry of Foreign Affairs (MFA). The senior official responsible is Ambassador Nuno Brito, the Political Director of the MFA. Brito is close to Foreign Minister Luis Amado. There are three action offices within the MFA responsible for Iran issues: a) Middle East and Maghreb Affairs; b) Common Foreign and Security Policy; and c) International Political Organizations. Our contacts report that decisions on Iran very "rarely" make it to PM Socrates and "never" to President Cavaco Silva.

The Directorate of Middle East and Maghreb Affairs has overall policy coordination for Iran issues. The office director is Joao Neves da Costa, a bushy-haired, bearded, bespectacled, comic book-loving 45-year old who looks somewhat out of place at the stolidly formal MFA. Though Costa has never been to the U.S., he nonetheless has a surprisingly extensive knowledge of U.S. domestic politics, culture, and films, and exudes enthusiasm for President Obama. "We're running parallel with the U.S. on Iran sanctions," he asserted February 2. It was Costa who accompanied Political Director Brito on his trip to Tehran in March 2009 (ref F).

The Directorate of Common Foreign and Security Policy handles sanctions in general. The Office is headed by Joao Ribeiro de Almeida, a million-words-a-minute interlocutor who knows Iran issues cold but is usually too busy to meet and often refers us to various underlings, none of whom has his command of issues. A lawyer by training, Almeida is 47 years old. He told us September 27 that Portugal was "on the same line" as the U.S. on the Iran nuclear program (ref D).

The Directorate of International Political Organizations handles U.N. affairs, under which Iran issues often fall. The Director of the office is Carlos Costa Neves, but the lead on Iran is Sara Martins, a 30-something lawyer who

previously worked at Portugal's mission to the UN and is an expert on, and somewhat passionate about, human rights issues.

Although we have not seen the three offices interact, they seem to coordinate well and often refer questions to each other. Post has not noticed differences in policy pronouncements by the different offices and it is often clear that there is a high level of coordination.

¶3. (C/REL TO USA, FVEY) Question B: Has Lisbon determined its policy on additional unilateral sanctions against Iran, or is it still formulating the policy?

Answer: The GOP has been very clear on a number of occasions (ref C,D, and E) that it will follow the EU consensus on Iran sanctions. Post notes that Portugal has shown occasional flashes of independence when the EU has been unable to forge a consensus.

¶4. (C/REL TO USA, FVEY) Question C: Are there any disagreements among Portugal's ministries on Lisbon's Iran sanctions policy?

Answer: According to Neves da Costa, the MFA is currently in consultations with the Ministries of Finance and Economy to ensure that Iran sanctions policy does not adversely affect the Portuguese economy. Because Portugal has little trade with Iran, however, these ministries' role is minimal. See para 5.

¶5. (C/REL TO USA, FVEY) Question D: To what extent are other factors, such as Portugal's economic interests, the view of

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the majority of EU members, or regional stability in the Middle East playing a role in decisionmaking regarding Portugal's Iran sanctions policy?

Answer: Portugal has very little trade with Iran, primarily because Portugal's economy opened up in the last 20 years, after sanctions against Iran were already in place. As Neves da Costa put it, "We arrived too late to have much trade with Iran." Portugal's trade with Iran totals less than 40M Euros a year, while Iranian oil represents about 9 percent of Portugal's oil imports. Neves da Costa asserted that Portugal has an unspoken policy not to import more than 10 percent from any one country to minimize dependency; thus, Portugal could "easily" replace its Iranian oil imports with oil from another country if the need arose.

Despite these representations, Portugal is increasingly more adept at practicing economic diplomacy -- the Portuguese relationship with Venezuela comes to mind -- and Post believes that the GOP will likely keep its options open in the hope that GALP Energia, Portugal's largest energy corporation, may be able to do business with Iran in the future.

In early 2008, GALP was engaged in discussions with Iran's National Oil Company, but GALP's largest shareholder told the U.S. Ambassador in March 2008 that GALP had no intention of signing an agreement in the current political environment and would not move beyond the exploratory phase without his full knowledge and approval (ref G). In January 2010, in several meetings on the margins of the annual U.S.-Portugal Bilateral Commission Meeting in Washington, D.C., MFA Political Director Brito struck a similar note, telling Under Secretary of State Burns, as well as several assistant secretaries, that Portugal had no intention of furthering its economic relationship with Iran at this time.

¶6. (C/REL TO USA, FVEY) Question E: Lisbon has sought to maintain ties with Iran while also maintaining EU sanctions. Are Portuguese leaders concerned about inconsistent policy or reaction from EU partners and domestic political rivals?

Answer: One of the pillars of Portuguese foreign policy is its relationship with other EU members. Thus, so long as an EU position exists, Portugal will follow it. At the same time, Portugal has enjoyed a long diplomatic relationship with Iran that dates back to the 16th Century. For that reason, and to keep its economic options open as discussed in para 5, it is unlikely that when there is no EU consensus, Portugal will adopt an independent stance critical of Iran.

¶7. (C/REL TO USA, FVEY) Question F: What signs, if any, indicate that Portugal is becoming more or less supportive of EU sanctions? Why does Post judge Lisbon does not take a more outspoken stance on sanctions?

Answer: Portugal, namesake of the Lisbon Treaty, which aims to integrate EU foreign policy among other things, will be increasingly more likely to follow EU consensus on Iran and other global issues. In addition, as one of the poorer nations in the EU, Portugal does not see itself as a heavy hitter, with the wherewithal to adopt policies independent of the EU consensus. "It's just not warranted by our size," Neves da Costa explained.

¶8. (C/REL TO USA, FVEY) Question G: Are Portuguese business groups lobbying for Lisbon to take a more defensive position on sanctions? More specifically, who are these groups targeting within government?

Answer: According to Neves da Costa, the GOP has faced no pressure from business groups regarding Iran sanctions. As noted, Post believes that the GOP and GALP Energy, of which it is a minority shareholder, are actively keeping their options open regarding future investments in Iran.

For more reporting from Embassy Lisbon and information about Portugal, please see our Intelink site:

<http://www.intelink.sgov.gov/wiki/portugal>  
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